

Message Text

CONFIDENTIAL

PAGE 01 KINGST 02325 110539Z
ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 L-03 INR-07 SP-02 /030 W
-----110545Z 003173 /16

R 101940Z MAY 77
FM AMEMBASSY KINGSTON
TO SECSTATE WASHDC 5219

C O N F I D E N T I A L KINGSTON 2325

STADIS////////////////////////////////////

E.O. 11652: GDS
TAGS: EFIN, EMIN, OPIC, JM, US
SUBJECT: VISIT BY OPIC'S MAYS AND STERN

REF: STATE 091473

1. THE VISIT LAST WEEK BY OPIC SPECIAL CONSULTANT (AND FORMER PRESIDENT) MARSHALL MAYS AND OPIC SENIOR COUNSEL RICHARD STERN APPEARS TO HAVE DONE LITTLE TO MOVE REVERE CASE CLOSER TO RESOLUTION

2. MAYS AND STERN HAD LENGTHY MEETING ON MAY 3 WITH THOMPSON, RATTRAY, MINING MINISTRY PERMANENT SECRETARY IRWIN ANGUS AND JAMAICA BAUXITE INSTITUTE'S DR. CARLTON DAVIS. AT THAT TIME, MAYS NOTED OPIC STANDS IN LIVE DANGER OF LOSING THE ARBITRATION CASE BROUGHT BY REVERE AND THINKS THAT APPROPRIATE COURSE LIES IN A SOLUTION UNDER WHICH REVERE'S INTEREST IN ITS MAGGOTTY PLANT IS PURCHASED BY THE JAMAICAN GOVERNMENT IN CONCERT WITH SOUTHWIRE AND, POSSIBLY, OTHERS. IN RESPONSE, THOMPSON SAID THAT FOR ITS PART, THE GOJ FEELS VERY CONFIDENT THAT IT WILL PREVAIL IN THE CASE BROUGHT AGAINST IT BY REVERE. THIS BEING SO, IT HAS NO PRESENT NEED TO COMPROMISE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KINGST 02325 110539Z

3. THE MINISTER ACKNOWLEDGED THAT FAILURE TO BRING PLANT BACK INTO OPERATION CONFRONTS JAMAICA WITH LOST EMPLOYMENT, LOST EXPORTS, THE DECAY OF THE MAGGOTTY PLANT AND RISING COSTS OF REPAIR AND EXTENSION. HOWEVER, AS THE MINISTER STATED IN A LETTER TO MAYS DATED MAY 4 (IN RESPONSE TO ONE FROM MAYS OF THE SAME DATE), "... THE STAND OF MY GOVERNMENT IS

THAT WE MUST FIRST ESTABLISH THE NON-LIABILITY OF OURSELVES, THAT IS, OPIC AND THE GOVERNMENT OF JAMAICA, AS DISTINCT FROM PUTTING A PACKAGE TOGETHER." COMMENTING ON VIEW WHICH MAYNARD EXPRESSED IN HIS LETTER THAT OPIC "MAY BE FORCED TO CONCLUDE A SETTLEMENT WITH REVERE WITHIN THE NEXT TWO WEEKS" (A STATEMENT PREDICATED ON OPIC'S CONCLUSION THAT IT IS MORE BROADLY VULNERABLE UNDER ITS POLICY WITH REVERE THAN IS THE GOJ BY REASON OF THE CONSTITUTIONAL ISSUES WHICH IT CONFRONTS), THOMPSON WROTE "IF THIS IS YOUR OPINION, IT IS ONE OF YOUR MAKING."

4. THOMPSON'S POSITION IS PREDICATED ON A CONVICTION THAT THE GOJ'S DEFENSE AGAINST REVERE IS EXCELLENT. MOREOVER, WE CONCLUDE THAT HE THINKS THAT THE FAVORABLE DECISION WHICH HE CONFIDENTLY ANTICIPATES, DOUBTLESS AS A RESULT OF SOLICITOR GENERAL RATTRAY'S OWN CONFIDENCE, WILL HAVE TWO IMPORTANT CONSEQUENCES. FIRST, IT WILL OFFER A VALUABLE PRECEDENT SHOULD ANY ONE ELSE CHALLENGE THE BAUXITE LEVY. SECOND, IT WILL VINDICATE ITS DECISION TO INTRODUCE THE LEVY. ADDITIONALLY, AS HE TOLD MAYNARD, HE DOES NOT WANT A COMPROMISE AT THIS TIME (I.E., PRIOR TO THE FINDING IN THE COURT CASE) LEST IT DAMAGE JAMAICA'S "BUSINESS REPUTATION" (SIC).

5. THIS EMBASSY MADE EVERY EFFORT DURING THE LAST WEEK TO DRIVE HOME TO THE JAMAICANS THAT FAILURE TO FIND A PROMPT COMPROMISE TO THE REVERE CASE COULD

CONFIDENTIAL

PAGE 03 KINGST 02325 110539Z

NEGATIVELY AFFECT OUR MUTUAL EFFORTS AT ECONOMIC COOPERATION; THIS EFFORT INCLUDED A CONVERSATION BETWEEN THE CHARGE AND DEPUTY PRIME MINISTER DAVID COORE. WE HAVE POINTED OUT THAT FINDING AGAINST OPIC IN THE ARBITRATION PROCEEDING WOULD RESULT IN THE USG'S INHERITING REVERE'S CLAIMS. THE MANNER IN WHICH GOJ THEN RESPONDED--WHATEVER THE COURT IN JAMAICA HOLDS-- WOULD HAVE VERY PROFOUND EFFECT ON CONGRESSIONAL AND OTHER KEY ATTITUDES IN WASHINGTON. LOGIC OF SITUATION CALLS, WE HAVE STRESSED, FOR THE PROMPTEST POSSIBLE COMPROMISE SO THAT OPIC IS NOT DRAWN INTO THE ARBITRATION PROCESS. JAMAICAN OFFICIALS WITHOUT EXCEPTION, HOWEVER, APPEAR CONVINCED THAT RIGHT-EOUSNESS OF THEIR CAUSE ASSURES THAT JAMAICAN COURT WILL FIND IN THEIR FAVOR AND THAT THE ARBITRATION PANEL WILL FIND IN FAVOR OF OPIC. THEY FIND IT IMPOSSIBLE TO ASSIMILATE FACT THAT ISSUES -- AND LAW--DIFFER IN THE TWO INSTANCES.

DORRANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISPUTES, ARBITRATION, MEETINGS, BUSINESS FIRMS, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Sent Date: 10-May-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KINGST02325
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770165-0337
Format: TEL
From: KINGSTON
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770575/aaaacmta.tel
Line Count: 117
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3651c397-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: STADIS
Reference: 77 STATE 91473
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2586070
Secure: OPEN
Status: NATIVE
Subject: VISIT BY OPIC'S MAYS AND STERN
TAGS: EFIN, EMIN, JM, US, OPIC, REVERE, (MAYS, MARSHALL), (STERN, RICHARD), (THOMPSON, DUDLEY), (RATTRAY, K O), (ANGUS, IRWIN), (DAVIS, CARLTON)
To: STATE
Type: TE
vdkgvwkey: odbcr://SAS/SAS.dbo.SAS_Docs/3651c397-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009